

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RFU-03-6 (RPU-02-7)
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**ORDER APPROVING REFUND PLAN**

(Issued October 9, 2003)

On May 15, 2003, the Utilities Board (Board) issued a final decision and order in Docket No. RPU-02-7, a gas rate case involving Interstate Power and Light Company (IPL). Since the final rates approved by the Board will produce less revenue than the interim rates approved by the Board on October 4, 2002, IPL was directed to file a refund plan. On July 16, 2003, IPL filed its initial refund plan with estimated refund amounts. On August 21, 2003, the Board issued an order approving IPL's final compliance rates, which became effective on August 22, 2003.

On September 11, 2003, IPL filed a revised refund plan for the temporary rate period beginning October 17, 2002, and ending August 22, 2003. The revised refund plan reflects IPL's compliance rates and includes an additional 2 percent for interest rate calculations, as required by Iowa Code § 476.6(13). IPL estimates the total refund liability to be \$4,329,286, not including sales taxes. IPL indicates that the July and August usage data in the temporary rate period and the July through November interest data are estimated, but will be known and updated by the time of the refund.

IPL determines the refund liability for each consolidated customer class as a whole, based upon the final approved rate design. Customer classes with final rate revenues that are higher than the temporary rates approved for the class will receive no refund. IPL nets the proportional amount related to these classes against the refunds due other customer classes to ensure that the total refund is not greater than IPL's total refund liability. Under IPL's refund plan, residential customers will receive an estimated total refund of \$3,668,154, which is approximately \$19.25 for an average customer. General Service customers will receive an estimated total refund of \$661,132, which is an average of \$26 per customer.

Refunds for individual customers will be proportional to the customer's usage during the temporary rate period. For current customers, IPL proposes to issue refunds through one-month bill credits beginning with bills rendered after November 15, 2003. For former customers, IPL proposes to issue refund checks for refund amounts over \$5. The checks are to be mailed on December 1, 2003.

The Board finds the refund plan complies with the Board's rules and is reasonable. The Board will direct IPL to file a refund report showing final refund liability and actual amounts refunded to customers. The refund report should provide the date refunds began, the actual amount refunded, the interest rates applied for each month of the temporary rate period, the formula used for interest calculations, and the exact amount of principal, interest, and sales tax refunded, by rate code.

**IT IS THEREFORE ORDERED:**

1. The refund plan filed by Interstate Power and Light Company on July 16, 2003, as revised on September 11, 2003, in Docket No. RFU-03-6, is approved.

2. Interstate Power and Light Company shall file a refund report, as described in this order, within 60 days of the completion of the refund.

**UTILITIES BOARD**

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/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 9<sup>th</sup> day of October, 2003.